

15J - PENSION OBLIGATION BONDS DEBT SERVICE

Operational Summary

Agency Description:

This fund is used to make the debt service payments on the County's Pension Obligation Bonds: Series 1994A, Refunding Series 1996A and Refunding Series 1997A. These bonds are a general fund obligation.

On October 20, 1999 the Board of Supervisors directed the CEO to proceed with actions necessary to eliminate this debt obligation. On March 31, 2000 and June 11, 2000, the County purchased through a tender offer 45% of the outstanding bonds, about \$288.3 million, and then cancelled them. The cost of the purchase was about \$179.0 million.

The remaining Pension Obligation Bonds with a par value of \$350,823,000, were successfully prepaid through an economic defeasance on June 22, 2000. Available funds, including the FY 1999-00 Tobacco Settlement Revenue allocation to the County, were irrevocably pledged for payment, in full,

of the bonds and invested in AAA rated debt securities issued by the Federal Home Loan Bank, Federal National Mortgage Association (FNMA). The FNMA securities, along with cash on hand, will be sufficient to pay principal and interest on the bonds when due and payable.

The FY 2000-2001 budget for this fund contains appropriations to make the debt service payments based on bonds outstanding as of March 31, 2000. The budget for this fund will be adjusted during FY 2000-01 to reflect the defeasance of the bonds.

At a Glance:

Total FY 1999-00 Actual Expenditure + Encumbrance:	32,675,151
Total Final FY 2000-01 Budget:	37,146,000
Percent of County General Fund:	N/A
Total Employees:	0.00

Strategic Goals:

- To make timely debt service payments on the outstanding Pension Obligation Bonds.

Fiscal Year 1999-00 Key Project Accomplishments:

- Made timely debt service payments on the County's outstanding Pension Obligation Bonds.

Budget Summary

Changes Included in the Recommended Base Budget:

The base budget reflects the reduced debt service on the Pension Obligation Bonds remaining after the County's tender offer purchase and cancellation of \$276.0 was completed on March 31, 2000.

Final Budget and History:

Sources and Uses	FY 1998-99 Actual Exp/Rev ⁽¹⁾	FY 1999-00 Final Budget	FY 1999-00 Actual Exp/Rev ⁽¹⁾	FY 2000-01 Final Budget	Change from FY 99-00 Actual	
					Amount	Percent
Total Revenues	38,142,098	37,304,805	199,600,432	7,719,021	(191,881,411)	-96.13
Total Requirements	32,962,494	53,684,152	32,675,151	37,146,000	4,470,849	13.68
FBA	16,319,118	16,379,347	21,498,723	29,426,979	7,928,256	36.88

(1) Amounts include prior year expenditures and exclude current year encumbrances. Therefore, the totals listed above may not match Total FY 1999-00 Actual Expenditure + Encumbrance included in the "At a Glance" section.

Detailed budget by expense category and by activity is presented for agency: PENSION OBLIGATION BONDS DEBT SERVICE in the Appendix on page 513.